The Republic of Congo (or Congo Brazzaville, or Congo) is a unitary country with a two-tier subnational government structure. The subnational level is made of 12 departments, including two departments with a specific status, corresponding to both departmental and municipal councils: Brazzaville, the administrative capital, and Pointe Noire, the economic capital. Then, the country has 6 cities with a municipal status (including Brazzaville and Pointe Noire). The departments and municipalities of Brazzaville and Pointe Noire each have their respective budgets. Municipalities and districts are then divided into sub-municipalities and urban sub-districts, 2753 villages, without administrative autonomy. Decentralization is enshrined in the constitution since 2002 (Art. XVI) and the 2003 judicial framework (after past attempts in 1973, 1979, and 1992). Its implementation follows a devolution process. Since then, the departmental councils have been renewed twice following local elections. Subnational governments are autonomous administrative entities, yet the central State through the national law that allocates their responsibilities, resources, operating and for supervision of their activities. Currently, the laws on local governments are specific within 9 laws. The departments are supervised by national delegates as Prefects (préfets) and Sub-prefects (sous-préfets). The current context of accelerated growth and urgent need of infrastructures could lead to rapid progress in the decentralization process if the national environment and frameworks allow for developing subnational governments responsibilities and resources.

Despite the 9 laws adopted on decentralization between 2003 and 2005, the judicial framework on local governments' responsibilities is still incomplete and the lack of clear framework leads to some mismatch between departmental and municipal councils: Brazzaville, the administrative capital, and Pointe Noire, the economic capital. Then, the country has 6 cities with a municipal status (including Brazzaville and Pointe Noire). The departments and municipalities of Brazzaville and Pointe Noire each have their respective budgets. Representatives at both levels are directly elected. Municipalities and districts are then divided into sub-municipalities and urban sub-districts, 2753 villages, without administrative autonomy. Decentralization is enshrined in the constitution since 2002 (Art. XVI) and the 2003 judicial framework (after past attempts in 1973, 1979, and 1992). Its implementation follows a devolution process. Since then, the departmental councils have been renewed twice following local elections. Subnational governments are autonomous administrative entities, yet the central State through the national law that allocates their responsibilities, resources, operating and for supervision of their activities. Currently, the laws on local governments are specific within 9 laws. The departments are supervised by national delegates as Prefects (préfets) and Sub-prefects (sous-préfets). The current context of accelerated growth and urgent need of infrastructures could lead to rapid progress in the decentralization process if the national environment and frameworks allow for developing subnational governments responsibilities and resources.

Subnational expenditures remain very low in Republic of Congo despite the slow progress in decentralization since 2003. In 2010, they accounted for 0.4% of GDP and 1.9% of overall public expenditures. Moreover, subnational expenditures were essentially dedicated to current expenditures, including for the half to staff expenditures (43.5% of subnational governments expenditures). Local public investment is not yet operational, as the rest of subnational expenditures were spent on capital transfers.
There is a lack of official data on economic classification of expenditures by subnational governments, as opposed to the national level. The very high share of current expenditures in subnational governments’ expenditures (99.5%) in 2010 leaves no concrete room for manoeuvre for subnational authorities, compared to the wide array of responsibilities devolved upon them by law.

Subnational governments in the Republic of Congo are encountering massive financial difficulties, and they rely mainly on allocations from State. The Law 10-2003 stipulates that for each devolved responsibility, the central government should transfer the corresponding amount of resources, either under the devolution of local taxes, shared taxation or intergovernmental transfers.

TAX REVENUE. Tax revenues of subnational governments include the tax on building occupancy, that replace since 2014 the tax on rent value of office buildings, with the aim of strengthening local governments own resources. This tax is set at between 60 and 12 thousands FCFA for residential occupancy, and between 60 000 and 1.2 million FCFA for professional occupancy.

GRANTS AND SUBSIDIES. Grants and subsidies represent the highest share of local governments revenues (60.1%). Most of the time, the transfer of responsibilities to subnational governments is compensated by transfer, through the global decentralization transfer (dotation globale de décentralisation). By decree, this transfer should provide each department and municipality with 1 billion FCFA for the implementation of public projects. Yet this transfer is often late and misallocated. Subnational governments also perceive a share (“additional cents”) of the VAT and of registration rights.

OTHER REVENUES. Other expenses include patents and licenses, whose amounts are variable depending on the nature of activity, facilities, locality and other economic parameters. Complex calculation formula lead to a weak collection of these types of resources.

At the time being, subnational governments in the Republic of Congo have not accessed borrowing to finance their expenditures.